

**PUBLIC SESSION MINUTES**  
**North Carolina State Board of CPA Examiners**  
**May 19, 2003**  
**1101 Oberlin Road**  
**Raleigh, NC 27605**

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**MEMBERS ATTENDING:** O. Charlie Chewning, Jr., CPA, President; Michael H. Wray, Vice President; Walter C. Davenport, CPA, Secretary-Treasurer; Leonard W. Jones, CPA; and R. Stanley Vaughan, CPA.

**STAFF ATTENDING:** Robert N. Brooks, Executive Director; Lisa R. Hearne, Manager of Communications; Ann J. Hinkle, Manager of Professional Standards; Buck Winslow, Manager of Licensing; and Noel L. Allen, Legal Counsel.

**GUESTS:** Jim Ahler, Executive Director, NCACPA; Tom Chenoweth, CPA, Highland Publishing Company; Curt Lee, Past President, NCSA;

**CALL TO ORDER:** President Chewning called the meeting to order at 10:00 a.m.

**MINUTES:** The minutes of the April 28, 2003, meeting were approved as corrected.

**FINANCIAL AND BUDGETARY ITEMS:** The financial statements for April 2003 were accepted as submitted.

Messrs. Davenport and Wray moved to approve the proposed budget for 2003-2004 (Appendix I).

**LEGISLATIVE AND RULE-MAKING ITEMS:** The Board reviewed and discussed with Mr. Ahler his letter regarding 21 NCAC 8N .0205, *Confidentiality*. The Board referred the matter to the Professional Standards Committee for further review.

**REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE:** Mr. Davenport moved and the Board approved the following recommendations of the Committee:

200203-012 - KPMG, LLP - Approve the signed Consent Order (Appendix II).  
200210-065 - Steven Szer - Approve the signed Consent Order (Appendix III).  
200201-006 - William R. Burrell - Approve the signed Consent Order (Appendix IV).

**REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE:** Mr. Wray moved and the Board approved the following recommendations of the Committee:

**Transfer of Grades Applications** - The following were approved:

Myles Nelligan  
Scott Ian Taylor (partial-Auditing, LPR, and ARE)

**Original Certificate Applications** - The following were approved:

Stephanie Ann Allen  
Meredith Lanette Burleson  
Youngsun Cha  
Catherine Elizabeth Cole  
Valerie Gail Crandall  
Sarah Elizabeth Crissman  
Jennifer Lynn Buller Denton  
Earl Carlton Ford IV  
James Arthur Fowler Jr.  
Heather Rae Franklin  
C. W. Grafer  
Laurel Christine Hansen  
Beverly Michelle Harrington  
Brandon Morris Helms  
Kenneth Walter Hillman Jr.

Enton Paul Hito  
Troy Harding Hutchins  
J. Kim Jones  
Sherise Melinda Jones  
John Michael Lucarelli II  
Colleen Ann McPherson  
Beau Alex Miller  
Michael Alan Moore  
Myles Nelligan  
Gerald Richard Pankow Jr.  
Jason Lee Rhoades  
Julia Temkina  
Adriane Laurel Treasure  
Peter E. M. Wells  
John Michael West

**Reciprocal Certificate Applications** - The following were approved:

→ Charlotte Elaine Briggs  
Herbert Mark Chain  
Charles R. Gaskins  
Cynthia C. Nicholson

Aguri Okura  
Martha Allison Roblee  
Kent Allen Thomas  
Roy T. Van Brunt

**Temporary Permits** - The following temporary permits were approved by the Executive Director and ratified by the Board:

Denise Lingenfelter T02908  
Robert Gerard Merz T02909  
Theodore Louis Perrella T02910

Herman Ray T02911  
Gregory A. Thompson T02912

**Reissuance of New Certificate** - An application for reissuance of new certificate and consent agreement submitted by Clara Jean Pinkney (#17752) was approved.

**Firm Registrations** - The following professional corporations and professional limited liability companies were approved by the Executive Director and ratified by the Board:

GOSPODAREK, C.P.A., P.A.  
HAYES, NELTNER & SCHMIDT, P.C.  
Gregory G. Holsinger, CPA, PLLC  
KEVIN B. LAUDER, CPA, PA  
Joseph R. Milane, CPA, PA  
Paul Scheible, CPA, PLLC  
DENISE W. VAUGHAN, CPA, PC

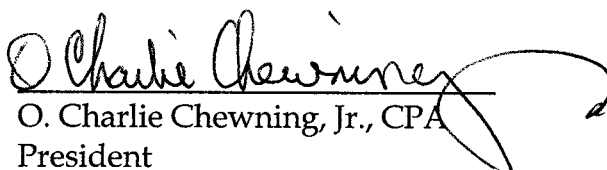
**SQR Matters** - The firm James D. Petersen Jr. CPA (#26550) submitted a termination notice more than 60 days but less than 120 days after the deadline. Staff recommended referral to the Professional Standards Committee. The Committee approved staff recommendation.

**ADJOURNMENT:** Messrs. Wray and moved to adjourn the meeting at 11:25 a.m. Motion passed.

Respectfully submitted:

Attested to by:

  
Robert N. Brooks  
Executive Director

  
O. Charlie Chewning, Jr., CPA  
President

## NORTH CAROLINA STATE BOARD OF CPA EXAMINERS

## 2003-2004 BUDGET

|  | 2002-03<br>FISCAL YEAR<br>BUDGET | 2002-03<br>ESTIMATED<br>ACTUAL | 2003-04<br>PROPOSED<br>BUDGET | REF. |
|--|----------------------------------|--------------------------------|-------------------------------|------|
| REVENUES   | 1,661,950                        | 1,609,872                      | 1,658,005                     | A    |
| AMOUNT APPROPRIATED FROM<br>FUND BALANCES FOR<br>PURCHASE OF THE BUILDING      |                                  |                                |                               |      |
| RENTAL INCOME  | 50,075                           | 50,225                         | 51,658                        |      |
| AMOUNT APPROPRIATED FROM<br>RESTRICTED FUND BALANCE<br>FOR FURNITURE/EQUIPMENT | 20,000                           | 507                            | 20,000                        |      |
|  | <u>1,732,025</u>                 | <u>1,660,604</u>               | <u>1,729,663</u>              |      |
| EXPENDITURES   |                                  |                                |                               |      |
| PERSONNEL  | 724,752                          | 647,388                        | 804,654                       | B    |
| BOARD & LEGAL  | 224,939                          | 184,447                        | 221,882                       | C    |
| OFFICE   | 225,075                          | 190,910                        | 223,015                       | D    |
| EXAMINATION  | 370,264                          | 342,833                        | 351,050                       | E    |
| BUILDING   | 107,774                          | 65,554                         | 74,536                        | F    |
| FUNDED DEPRECIATION<br>(CURRENT ASSETS)  | 33,077                           | 33,212                         | 29,281                        |      |
| FIXED ASSET PURCHASES  | 20,000                           | 507                            | 20,000                        |      |
| FUNDED DEPRECIATION<br>(NEW PURCHASES)   | 4,000                            | 101                            | 4,000                         |      |
|  | <u>1,709,881</u>                 | <u>1,464,952</u>               | <u>1,728,418</u>              |      |
| EXCESS (LOSS) REVENUE  | <u>22,144</u>                    | <u>195,652</u>                 | <u>1,245</u>                  |      |

(Rev. 5/5/03)

# 2003-2004 REVENUE BUDGET

A

|                       | 2002-03<br>FISCAL YEAR<br>BUDGET | 2002-03<br>ESTIMATED<br>ACTUAL | 2003-04<br>PROPOSED<br>BUDGET |
|-----------------------|----------------------------------|--------------------------------|-------------------------------|
| EXAM APPLICATION FEES |                                  |                                |                               |
| INITIAL               | 199,500 (798)                    | 183,500 (734)                  | 187,750 (751)                 |
| REEXAMINATION         | 413,250 (1,653)                  | 419,000 (1,676)                | 424,750 (1,699)               |
| PROCTORED             | 6,400                            | 4,880                          | 5,280                         |
|                       | <u>619,150</u>                   | <u>607,380</u>                 | <u>617,780</u>                |
| EXAM REVIEW FEES      | 2,000                            | 450                            | 2,000                         |
| EQUIVALENCY EXAM FEES | 0                                | 50                             | 100                           |
| GRADE TRANSFER FEES   | 300                              | 300                            | 300                           |
|                       | <u>2,300</u>                     | <u>800</u>                     | <u>2,400</u>                  |
| CERTIFICATE FEES      |                                  |                                |                               |
| INITIAL               | 33,750 (450)                     | 34,425 (459)                   | 37,500 (500)                  |
| RECIPROCAL            | 18,750 (250)                     | 16,650 (222)                   | 21,250 (150/200)              |
| RENEWALS              | 819,750 (16,395)                 | 801,600 (16,032)               | 835,000 (16,700)              |
| REINSTATEMENTS        | 3,750 (50)                       | 3,675 (49)                     | 3,750 (50)                    |
|                       | <u>876,000</u>                   | <u>856,350</u>                 | <u>897,500</u>                |
| FIRM REGISTRATIONS    |                                  |                                |                               |
| PARTNERSHIPS          | 22,500                           | 25,520                         | 22,500                        |
| PC INITIAL            | 3,750 (75)                       | 4,650 (93)                     | 3,750                         |
| PC RENEWAL            | 20,000 (800)                     | 21,575 (863)                   | 21,575                        |
|                       | <u>46,250</u>                    | <u>51,745</u>                  | <u>47,825</u>                 |
| SQR REGISTRATIONS     |                                  |                                |                               |
| STATE SQR             | 750 (10)                         | 1,050 (14)                     | 0                             |
|                       | <u>750</u>                       | <u>1,050</u>                   | <u>0</u>                      |
| MAILING LABELS/LISTS  | 26,000                           | 25,351                         | 25,000                        |
| INTEREST              | 90,000                           | 65,536                         | 66,000                        |
| OTHER                 | 1,500                            | 1,660                          | 1,500                         |
|                       | <u>117,500</u>                   | <u>92,547</u>                  | <u>92,500</u>                 |
|                       | <u>1,661,950</u>                 | <u>1,609,872</u>               | <u>1,658,005</u>              |

**2003-2004 PERSONNEL EXPENSE**

B

|                             | 2002-03<br>FISCAL YEAR<br><u>BUDGET</u> | 2002-03<br>ESTIMATED<br><u>ACTUAL</u> | 2003-04<br>PROPOSED<br><u>BUDGET</u> | REF. |
|-----------------------------|---|---------------------------------------|--------------------------------------|------|
| FULL TIME STAFF             | 495,084                                 | 460,279                               | 561,556                              |      |
| PART TIME STAFF             | 11,168                                  | 12,697                                | 13,104                               |      |
| TAXES - FICA                | 38,728                                  | 34,971                                | 42,959                               |      |
| RETIREMENT - CONTRIBUTIONS  | 29,705                                  | 27,593                                | 33,693                               |      |
| RETIREMENT - NCLB ADMIN FEE | 1,000                                   | 1,005                                 | 1,000                                |      |
| INSURANCE - HEALTH          | 103,428                                 | 81,380                                | 112,393                              |      |
| STAFF CPE                   | 3,600                                   | 782                                   | 3,600                                |      |
| STAFF TRAVEL                | 37,039                                  | 27,320                                | 34,349                               | B1   |
| INTEROFFICE EXPENSE         | <u>2,000</u>                            | <u>1,361</u>                          | <u>2,000</u>                         |      |
|                             | <u>721,752</u>                          | <u>647,388</u>                        | <u>804,654</u>                       |      |

→

**2003-2004 STAFF TRAVEL EXPENSE**

B1

|                               | <u>MTGS.</u> | <u>STAFF</u> | <u>DAYS</u> | <u>RATE</u>    |                      |
|-------------------------------|--------------|--------------|-------------|----------------|----------------------|
| NASBA MEETINGS                |              |              |             |                |                      |
| ANNUAL                        | 1            | 2            | 5           | 900/350/225/50 | 4,900                |
| REGIONAL                      | 1            | 2            | 3           | 199/395/150/50 | 1,993                |
| ADMINISTRATORS                | 1            | 6            | 4           | 250/450/185/50 | 9,840                |
| COMMITTEE                     | 4            | 1            | 1           | 200/ /150/50   | 1,600                |
| CPE                           | 1            | 1            | 2           | /350/150/50    | 1,100                |
| <br>NCACPA MEETINGS           |              |              |             |                |                      |
| ANNUAL                        | 1            | 1            | 4           | /450/219/50    | 1,526                |
| <br>OTHER MEETINGS            |              |              |             |                |                      |
| PROFESSIONAL                  |              |              |             |                | 1,500                |
| BOARD VEHICLE                 |              |              |             |                | <u>11,890</u>        |
| <br>TOTAL MEETING EXPENSE - B |              |              |             |                | <u><u>34,349</u></u> |

**2003-2004 BOARD & LEGAL EXPENSE**

C

|                                     | 2002-03<br>FISCAL YEAR<br>BUDGET | 2002-03<br>ESTIMATED<br>ACTUAL | 2003-04<br>PROPOSED<br>BUDGET | REF. |
|-------------------------------------|----------------------------------|--------------------------------|-------------------------------|------|
| PER DIEM                            | 33,800                           | 32,950                         | 32,900                        | C1   |
| BOARD TRAVEL                        | 56,889                           | 40,557                         | 59,732                        | C2   |
| CLERICAL REIMBURSEMENT              | 1,750                            | 1,063                          | 1,750                         |      |
| LEGAL COUNSEL FEES - REGULAR        | <u>25,000</u>                    | <u>23,638</u>                  | <u>25,000</u>                 |      |
|                                     | 117,439                          | 98,208                         | 119,382                       |      |
| LEGAL COUNSEL FEES - PROF. STANDARD | 100,000                          | 85,956                         | 100,000                       |      |
| LEGAL COUNSEL FEES - LITIGATION     | 5,000                            | 0                              | 0                             |      |
| INVESTIGATION COST                  | 5,000                            | 3,458                          | 5,000                         |      |
| COURT REPORTER FEES/LEGAL ADVERTIS  | 2,500                            | 1,430                          | 2,500                         |      |
| REIMBURSEMENTS                      | <u>(5,000)</u>                   | <u>(4,605)</u>                 | <u>(5,000)</u>                |      |
|                                     | 107,500                          | 86,239                         | 102,500                       |      |
|                                     | <u>224,939</u>                   | <u>184,447</u>                 | <u>221,882</u>                |      |



**2003-2004 PER DIEM EXPENSE**

C1

|                       | PER<br>DIEM | BOARD<br>MEMBERS | DAYS | AMOUNT               |
|-----------------------|-------------|------------------|------|----------------------|
| CPA EXAMINATION       |             |                  |      |                      |
| MAY                   | 100         | 2                | 2    | 400                  |
| NOVEMBER              | 100         | 2                | 2    | <u>400</u>           |
| TOTAL EXAM - E        |             |                  |      | <u><u>800</u></u>    |
| <br>                  |             |                  |      |                      |
| REGULAR MEETINGS (12) | 100         | 7                | 2    | 16,800               |
| <br>                  |             |                  |      |                      |
| NCACPA                |             |                  |      |                      |
| ANNUAL MEETING        | 100         | 4                | 5    | 2,000                |
| <br>                  |             |                  |      |                      |
| NASBA                 |             |                  |      |                      |
| ANNUAL MEETING        | 100         | 7                | 5    | 3,500                |
| REGIONAL              | 100         | 7                | 4    | 2,800                |
| COMMITTEE             | 100         |                  | 72   | 7,200                |
| CPE                   | 100         | 3                | 2    | <u>600</u>           |
| TOTAL MEETINGS - C    |             |                  |      | <u><u>32,900</u></u> |

**2003-2004 BOARD TRAVEL EXPENSE**

C2

|                         | NO.<br>MTGS. | BOARD<br>MEMBERS | DAYS | RATE | AMOUNT        |
|-------------------------|--------------|------------------|------|------|---------------|
| REGULAR BOARD MEETINGS  |              |                  |      |      |               |
| HOTEL                   | 12           | 5                | 1    | 95   | 5,700         |
| MEALS                   | 12           | 5                | 1    | 40   | 2,400         |
| TRAVEL                  | 12           | 5                |      | 105  | 6,300         |
|                         |              |                  |      |      | <u>14,400</u> |
| NCACPA ANNUAL MEETING   |              |                  |      |      |               |
| HOTEL                   |              | 4                | 4    | 219  | 3,504         |
| MEALS                   |              | 4                | 3    | 50   | 600           |
| TRAVEL                  |              | 4                |      | 250  | 1,000         |
| REGISTRATION            |              | 4                |      | 450  | 1,800         |
|                         |              |                  |      |      | <u>6,904</u>  |
| NASBA ANNUAL MEETING    |              |                  |      |      |               |
| HOTEL                   |              | 7                | 5    | 225  | 7,875         |
| MEALS                   |              | 7                | 5    | 50   | 1,750         |
| TRAVEL                  |              | 7                |      | 900  | 6,300         |
| REGISTRATION            |              | 7                |      | 350  | 2,450         |
|                         |              |                  |      |      | <u>18,375</u> |
| NASBA REGIONAL MEETING  |              |                  |      |      |               |
| HOTEL                   |              | 7                | 3    | 150  | 3,150         |
| MEALS                   |              | 7                | 3    | 50   | 1,050         |
| TRAVEL                  |              | 7                |      | 199  | 1,393         |
| REGISTRATION            |              | 7                |      | 395  | 2,765         |
|                         |              |                  |      |      | <u>8,358</u>  |
| NASBA COMMITTEE MEETING |              |                  |      |      |               |
| HOTEL                   | 7            | 1                | 4    | 150  | 4,200         |
| MEALS                   | 7            | 1                | 4    | 50   | 1,400         |
| TRAVEL                  | 7            | 1                | 2    | 190  | 2,660         |
|                         |              |                  |      |      | <u>8,260</u>  |
| NASBA CPE CONF.         |              |                  |      |      |               |
| HOTEL                   |              | 3                | 2    | 150  | 900           |
| MEALS                   |              | 3                | 2    | 50   | 300           |
| TRAVEL                  |              | 3                |      | 350  | 1,050         |
| REGISTRATION            |              | 3                |      | 395  | 1,185         |
|                         |              |                  |      |      | <u>3,435</u>  |
|                         |              |                  |      |      | <u>59,732</u> |

**2003-2004 OFFICE EXPENSE**

D

|                       | <u>2002-03<br/>FISCAL YEAR<br/>BUDGET</u> | <u>2002-03<br/>ESTIMATED<br/>ACTUAL</u> | <u>2003-04<br/>PROPOSED<br/>BUDGET</u> | REF. |
|-----------------------|---|---|--|------|
| OFFICE DECORATIONS    | 750                                       | 160                                     | 500                                    |      |
| EQUIPMENT RENT        | 1,000                                     | 1,016                                   | 1,000                                  |      |
| PRINTING              | 50,500                                    | 48,657                                  | 50,500                                 |      |
| POSTAGE               | 97,500                                    | 84,969                                  | 97,500                                 |      |
| SUPPLIES              | 13,750                                    | 10,516                                  | 13,750                                 |      |
| TELEPHONE             | 12,500                                    | 6,485                                   | 12,500                                 |      |
| SUBSCRIPTIONS         | 6,000                                     | 3,985                                   | 5,000                                  |      |
| REPAIRS & MAINTENANCE | 10,300                                    | 5,355                                   | 9,000                                  |      |
| CLIPPING SERVICE      | 1,000                                     | 1,018                                   | 1,000                                  |      |
| COMPUTER ASSISTANCE   | 1,500                                     | 0                                       | 1,250                                  |      |
| DUES                  | 6,775                                     | 7,005                                   | 7,005                                  |      |
| INSURANCE             | 4,500                                     | 3,828                                   | 4,500                                  |      |
| MISCELLANEOUS         | 300                                       | 0                                       | 300                                    |      |
| AUDIT FEES            | 5,300                                     | 7,010                                   | 7,010                                  |      |
| CREDIT CARD FEES      | 12,000                                    | 9,737                                   | 11,000                                 |      |
| PAYROLL SERVICE       | <u>1,400</u>                              | <u>1,169</u>                            | <u>1,200</u>                           |      |
|                       | <u>225,075</u>                            | <u>190,910</u>                          | <u>223,015</u>                         |      |

**2003-2004 EXAMINATION EXPENSE**

E

|                      | 2002-03<br>FISCAL YEAR<br>BUDGET | 2002-03<br>ESTIMATED<br>ACTUAL | 2003-04<br>PROPOSED<br>BUDGET | REF. |
|----------------------|----------------------------------|--------------------------------|-------------------------------|------|
| PROCTOR WAGES        | 31,746                           | 30,321                         | 23,810                        |      |
| PROCTOR TRAVEL       | 8,988                            | 9,060                          | 6,795                         |      |
| GRADING              | 262,240                          | 241,154                        | 263,664                       |      |
| EXAM SITE RENT - NET | 41,000                           | 36,463                         | 30,750                        |      |
| TEMPORARY EXAM STAFF | 1,490                            | 1,724                          | 1,118                         |      |
| HOSPITALITY          | 450                              | 391                            | 338                           |      |
| EXAM POSTAGE         | 10,500                           | 11,168                         | 12,500                        |      |
| EXAM STAFF TRAVEL    | 4,000                            | 5,700                          | 4,275                         |      |
| BOARD PER DIEM       | 1,000                            | 1,200                          | 800                           | C1   |
| BOARD TRAVEL         | 1,000                            | 1,367                          | 1,250                         |      |
| EXAM SUPPLIES        | 2,750                            | 1,040                          | 1,750                         |      |
| EXAM PRINTING        | <u>5,000</u>                     | <u>3,245</u>                   | <u>4,000</u>                  |      |
|                      | <u>370,164</u>                   | <u>342,833</u>                 | <u>351,050</u>                |      |

**2003-2004 BUILDING EXPENSE**

F

|                        | <u>2002-03<br/>FISCAL YEAR<br/>BUDGET</u> | <u>2002-03<br/>ESTIMATED<br/>ACTUAL</u> | <u>2003-04<br/>PROPOSED<br/>BUDGET</u> |
|------------------------|---|---|--|
| BUILDING MAINTENANCE   | 500                                       | 2,018                                   | 1,000                                  |
| ELECTRICITY            | 13,657                                    | 14,109                                  | 14,109                                 |
| GROUNDS MAINTENANCE    | 1,300                                     | 1,800                                   | 2,200                                  |
| HEAT & AIR MAINTENANCE | 1,072                                     | 268                                     | 1,200                                  |
| IMPROVEMENTS           | 79,372                                    | 37,505                                  | 46,054                                 |
| INSURANCE              | 786                                       | 953                                     | 953                                    |
| JANITORIAL MAINTENANCE | 8,512                                     | 6,781                                   | 6,700                                  |
| TRASH COLLECTION       | 842                                       | 835                                     | 835                                    |
| WATER & SEWER          | 172                                       | 176                                     | 176                                    |
| SECURITY               | 1,361                                     | 1,109                                   | 1,109                                  |
| PEST CONTROL           | <u>200</u>                                | <u>0</u>                                | <u>200</u>                             |
|                        | <u><u>107,774</u></u>                     | <u><u>65,554</u></u>                    | <u><u>74,536</u></u>                   |

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: 200203-012

IN THE MATTER OF:  
KPMG LLP

Respondent firm

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41 and 150B-22, the Board and Respondent stipulate the following Findings:

1. Respondent KPMG LLP (hereinafter "Respondent firm") is a licensed certified public accounting firm in North Carolina.
2. Respondent firm performed an audit for a North Carolina university that was provided by the university to the United States Department of Education (Department of Education).
3. In a review, the Department of Education found that Respondent firm had failed to properly perform audit procedures relating to federal cash management requirements as set forth in OMB Circular A-133, Government Auditing Standards, and Generally Accepted Auditing Standards.
4. Respondent firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent firm's conduct as set out above constitutes violations of NCGS 93-12 (9)e and 21 NCAC 8N .0403 and .0405.

Consent Order - 2  
KPMG LLP

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent firm agree to the following Order:

1. Respondent firm shall ensure that all CPA staff in Respondent firm's Greensboro office, who work on or perform audits of universities and colleges, complete at least a one (1) hour continuing professional education class on cash management.

CONSENTED TO THIS THE 30 DAY OF April, 2003.

KPMG LLP  
Respondent Firm

BY: Erny W. Simon  
Supervising CPA

APPROVED BY THE BOARD THIS THE 19<sup>th</sup> DAY OF May, 2003.

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS

BOARD  
SEAL

BY: D. Charles Chewning  
President



NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: 200210-065

IN THE MATTER OF:  
Steven Szer, #23804  
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41 and 150B-22, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 23804 as a Certified Public Accountant. Respondent is also licensed as a CPA by the South Carolina Board of Accountancy where he has his principle place of business.
2. In February of 2003, Respondent pled guilty in South Carolina to six (6) counts of forgery of less than five thousand dollars (\$5,000.00) and three (3) counts of forgery of more than five thousand dollars (\$5,000.00). An essential element of each crime is dishonesty, deceit, or fraud.
3. Respondent was sentenced to five (5) years in prison for the six (6) counts of forgery of less than five thousand dollars (\$5,000.00) and ten (10) years in prison for the three (3) counts of forgery of more than five thousand dollars (\$5,000.00). However, the five (5) and ten (10) year prison sentences were suspended except for a ninety (90) day active prison sentence and Respondent was placed on probation for five (5) years. Also, Respondent was sentenced to paying restitution in the amount of \$40,993.17.
4. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina



Consent Order - 2  
Steven Szer

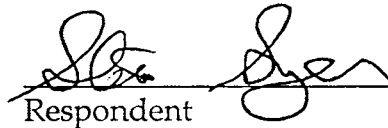
Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Respondent's forgeries with intent to defraud his client are violations of NCGS 93-12 (9) and 21 NCAC 8N .0201 and 8N .0203.
3. Respondent's convictions of nine (9) counts of forgery are violations of NCGS 93-12 (9)b and 21 NCAC 8N .0201, 8N .0203, and 8N .0204.

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. The Certified Public Accountant certificate issued to Respondent, Steven Szer, is hereby permanently revoked.

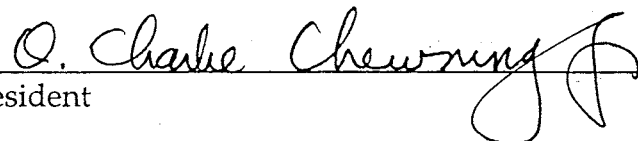
CONSENTED TO THIS THE 30 DAY OF APRIL, 2003.

  
Respondent

APPROVED BY THE BOARD THIS THE 19th DAY OF May, 2003.

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS

BOARD  
SEAL

BY:   
President

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
CASE #: 200201-006

IN THE MATTER OF:  
William R. Burrell, #10824  
Respondent

CONSENT ORDER

THIS CAUSE, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41 and 150B-22, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 10824 as a Certified Public Accountant.
2. For the income tax years 1981, 1982, 1984, 1985, 1986, 1987, 1988, 1990, 1991, 1992, and 1993, Respondent failed to timely file and timely pay State income taxes.
3. Respondent was audited by the North Carolina Department of Revenue in 1997 and received Notice of Proposed Assessment for taxes, penalties, and interest for the income tax years referenced in Finding #2.
4. During the period 1996 through 2000, Respondent failed to timely file and timely pay State income taxes.
5. In December of 2001, Respondent was arrested for failure to file and pay said State income taxes.
6. Prior to going to trial on this matter, Respondent filed and paid said State income taxes. Respondent was due refunds from State Revenue for each of the years except 2000.
7. In January of 2002, Respondent plead guilty to and was convicted of willfully failing to file a state income tax return, a Class 1 misdemeanor, for the years 1996, 1997, 1998, 1999, and 2000. Respondent was sentenced to forty-five (45) days in custody, which was suspended, and he was placed on eighteen (18) months of unsupervised probation. In addition, Respondent was required to perform one hundred (100) hours of community service, to pay a two thousand five hundred dollar (\$2,500.00) fine, and to pay the costs of court.
8. During this same period, Respondent failed to file and pay Federal income taxes for the years 1996, 1997, 1998, 1999, and 2000. Respondent owed Federal income tax in each of these years with the taxes totaling \$19,143.00.

Consent Order - 2  
William R. Burrell

9. Respondent has been notified by the Internal Revenue Service (IRS) that he owes interest and penalties of \$2,090.00 for 1999 and interest and penalties of \$3,374.00 for 2000.
10. Respondent contends that he did not intentionally violate North Carolina's accountancy laws and rules and that none of his acts or omissions resulted in harm to his clients. Respondent also contends and has some evidence showing that during the relevant periods of time, he encountered some significant financial and business hardships that occurred in the context of his efforts to help friends and were beyond his control.
11. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

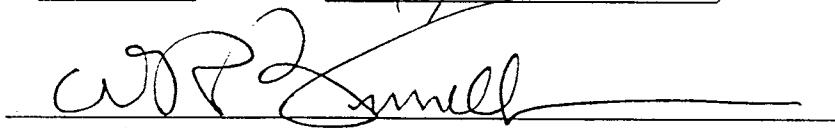
BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's actions as set out above constitute violations of NCGS 93-12 (9) e and 21 NCAC 8N .0201, .0202 (a), .0203 (b)(1), .0204 (c), .0207, and .0208 (b).

BASED on the foregoing and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent's certificate is permanently revoked.

CONSENTED TO THIS THE 7<sup>th</sup> DAY OF MAY, 2003.

  
Respondent

APPROVED BY THE BOARD THIS THE 19<sup>th</sup> DAY OF May, 2003.

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS

BOARD  
SEAL

BY:   
President